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July 15, 2010

TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.   
Interim Director

SUBJECT: **NURSING HOME PATIENT REFERRALS**

On June 9, 2010, your Board directed the Chief Executive Officer and the Interim Director of Health Services (DHS), in consultation with County Counsel, to report back in 30 days on the protocols and policies related to referral of patients to nursing homes and acceptance of gifts from non-County entities and individuals with whom DHS has contracts or other business relationships. Your Board also instructed that the report should include any needed recommendations for improvement if protocol or policy deficiencies are identified.

**CURRENT POLICIES ON EMPLOYEE RECEIPT OF GIFTS OR  
OTHER ITEMS**

DHS requires each employee to read and sign the Conflict of Interest Policy and acknowledge receipt of the Code of Conduct that outlines the overarching expectations of staff employed by the Department.

The Code of Conduct states, "We do not accept payments (or any form of compensation) for referrals that we make. No workforce member may solicit or receive anything of value, directly or indirectly, in exchange for patient referrals." It further states, "When making patient referrals to another health care provider, we do not take into account the volume or value of referrals that the provider has made (or may make) to us." The Code also prohibits transferring patients to a private facility in which the workforce member has a financial interest. Finally, the Code forbids paying for referrals the Department receives.

The Code of Conduct indicates that it is critical to avoid the appearance of impropriety when interacting with individuals who do business or are seeking to do business with the Department and to avoid creating the appearance of favoritism toward a contractor, vendor, health care provider or other conflicts of interest. It further states that workforce members may not accept personal gifts from individuals or organizations that have a business relationship or are seeking to do business with the Department, and may never solicit gifts or accept cash or cash equivalents, such as gift certificates. The points made in the Code of Conduct are reinforced in DHS Policies 740 and 1002. These policies are also now being revised slightly to match recent regulatory changes related to raffles and gifts under the State conflict of

interest laws. In addition to departmental policy, some facilities have individual conflict of interest policies which may be more stringent than the DHS policy.

## **CURRENT POLICIES ON REFERRAL OF PATIENTS TO SKILLED NURSING FACILITIES**

Each hospital has its own policy or policies regarding the referral of patients for out-of-home placement, which includes placement in skilled nursing facilities. The policies vary in form and format. At Harbor/UCLA Medical Center, Rancho Los Amigos National Rehabilitation Center and Olive View-UCLA Medical Center, referrals are covered in the discharge planning policy, whereas LAC+USC Medical Center has a separate policy dealing specifically with referrals to skilled nursing facilities. These policies have several important common features, including the use of a multi-disciplinary group to make discharge planning decisions, the use of social work staff to find an appropriate skilled nursing placement, and an emphasis on documentation of problem placements or placement activity. All of the policies include provisions for involving patients and their families in the process, and stress the need to try placing a patient in the geographic area that the patient or responsible individual selects. Facilities generally utilize community resource guides to identify facilities in the area where the patients would like to be placed and some reference the Medicare website to determine quality indicators at the facility. DHS will ensure that all policies are revised to require review of quality indicators prior to placement. Payor status and the patient's medical condition are also important factors in finding placements, though not all policies directly deal with these issues.

## **NEXT STEPS**

DHS will continue to work with County Counsel to standardize best practices within conflict of interest and referral policies systemwide, and strengthen or clarify proper procedures as appropriate.

JFS:pm

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors